



# HOUSE DEMOCRATIC OFFICE

## FY2009-10 FLORIDA BUDGET House Democratic Caucus Perspective

Summary of Conference Report on Senate Bill 2600 (General Appropriations Act) and Conforming Bills

*Thursday, May 7, 2009*

### **\*MAJOR THEMES\***

**SUMMARY:** Though modestly less onerous than a state budget passed in April by House Republicans, the **\$66.5 billion agreement** raises taxes, fees and university tuition; drains trust funds; relies on federal economic recovery monies; cuts state employee salaries; trims vital programs; and fails to end inequities in the tax structure.

#### **The budget:**

- Imposes **more than \$1 billion in new fees** on the middle class, including \$800 million in higher charges for motorists and \$227 million in court fees.
  - Among new charges are: fee hikes for driver licenses, auto registration tags, fishing licenses, and civil lawsuit filings.
- Uses **\$3 billion in federal economic recovery passed by Democrats in Congress and President Obama**, but fails to utilize another **\$444 million of federal stimulus for Florida's unemployed**.
- **Raises university tuition** by up to 15 percent a year and **caps Bright Futures** scholarships.

The move saves the state \$34 million but will cost students at least \$197/year at schools with 8-percent tuition hikes, and nearly twice that for students who choose schools that raise tuition by 15 percent.
- **Passes the buck to local school boards by allowing them to increase local property taxes** by .25 mils (or \$25 for \$100,000 of taxable value) rather

than adequately funding education with state dollars as required by the Florida Constitution.

- Impairs criminal justice strategies. The number of FDLE investigators is reduced from 705 to 596. The budget also cuts funding for drug treatment programs and education services for inmates.
- Cuts legal help for abused and neglected children by funding fewer Guardian ad Litem positions.
- Threatens long-term environmental protection efforts. No funding for Florida Forever, the state's program for buying lands for conservation, for the first time since its inception in 1990.
- Reduces funding for cleaning up leaky underground petroleum storage tanks that threaten to contaminate drinking water.
- (DEPENDING ON CONFERENCE NEGOTIATIONS) Dedicates to health care programs an estimated \$130 million for first-year implementation of a **\$1 per pack surcharge** on cigarettes.
- **Cuts by 2 percent** the salaries of state workers (except State University System employees) earning **\$45,000 or more**.

SEE DETAILS ON FOLLOWING PAGES

## **\*PREK-12 EDUCATION\***

### **Funding Chart**

	<b><u>08-09</u></b>	<b><u>09-10 Conf. Report</u></b>	<b><u>Difference</u></b>
<b>Per Student Spending</b>	\$6,845	\$6,873	+ .41%
<b>Required Local Effort</b>	\$8.2 billion	\$7.8 billion	- 5.44 %
<b>RLE Millage Rate</b>	5.136	5.314	+ 3.47 %
<b>Total FEFP</b>	\$17.9 billion	\$17.9 billion	+ .03 %
<b>Federal Stimulus</b>		\$908 million*	
<b>Universal Prekindergarten</b>	\$353 million	\$367 million	+ 4.8 %
<b>Per student (reg. school year)</b>	\$2,575	\$2,575	0 %
<b>Per student (summer)</b>	\$2,190	\$2,190	0 %
*Stimulus funds dependent on US Department of Education determination that Florida has fulfilled mandatory maintenance of effort requirements for its education budget.			
<b>Class Size Reduction:</b>	\$2.73 billion	\$2.84 billion	+ 9.6 %
<b>School Recognition Fund</b>	\$217.5 million \$85/student	\$130 million \$75/student	
<b>Assistance to low performing schools</b>		\$4 million	
<b>Merit Award Program</b>		\$20 million	
<b>Research Based Reading</b>		\$101 million	

## **PREK-12 INFORMATION**

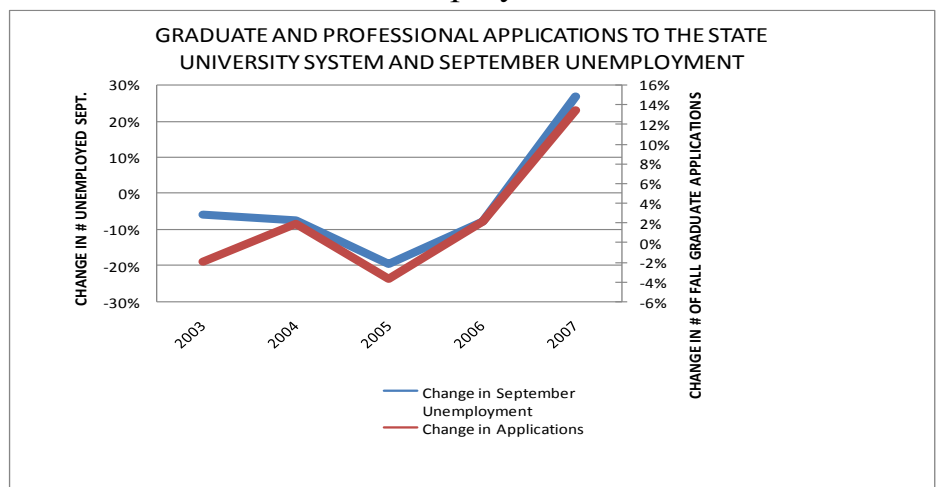
- The increase in education spending in this budget is not even a “hold harmless” budget. This is actually a cut. Here’s how:
  - This budget only provides \$55 more in per student funding than in 2006-07.
  - PLUS, what if we don’t get the \$907 million in Federal economic recovery money that we are relying on in this budget thanks to President Obama and the Democratic Congress.
  - Without federal stimulus, we would be looking at less per student funding than in 2006-07.
  - Consider, previous FEFP calculations:
    - 2005-06: \$6,247/student
    - 2006-07: \$6,818/student
    - 2007-08: \$7,128/student
    - 2008-09: \$6,845/student
    - 2009-10: \$6,873/student
- The budget puts \$20 million into a “bonus pay” plan for teachers that is so flawed that 90 percent of school districts refuse the money.
- The budget earmarks \$130 million to reward schools whose students score well on the FCAT (typically your low minority, suburban schools), but offers a scant \$4 million for helping students in low performing schools (typically your high minority inner city and rural schools) where students have a harder time keeping up.
- By delaying by another year the full implementation of the Class Size Amendment at the classroom level, the Legislature is only making it more difficult to clear that hurdle next year when the Florida Constitution requires that all classrooms meet the classroom caps.

## **\*HIGHER EDUCATION\***

	<b><u>08-09</u></b>	<b><u>09-10 Conf. Report</u></b>	<b><u>Difference</u></b>
<b>State University System TOTAL</b>	\$3.18 billion	\$3.4 billion	+1.1 percent
<b>SUS Undergraduate Tuition</b>	\$82.03/credit hour	\$88.59 credit hour	+ \$6.56
<b>Bright Futures</b>	\$436.2 million	\$418.9 million	- 1 percent
<b>Community Colleges TOTAL</b>	\$1.67 billion	\$1.72 billion	+2.9 percent
<b>Historically Black Colleges &amp; Universities</b>	\$11.5 million	\$9.8 million	- 0.9 percent
<b>Moffitt Cancer Center</b>	\$11.7 million	\$10.9 million	- 0.9 percent
<b>ABLE (Access for Better Learning) Grant</b>	\$4.4 million	\$3.9 million	- 0.9 percent
<b>FRAG (Florida Residential Access Grant)</b>	\$97 million (\$2,837/student)	\$84 million (\$2,529/student)	- 0.9 percent
<b>First Generation Matching Grant</b>	\$8 million	\$6.8 million	- 0.9 percent
<b>Minority Teacher Scholarship</b>	\$3 million	\$1.6 million	- 0.5 percent
<b>Mary McLeod Bethune Scholarship</b>			

	\$664,000	\$598,000	- 0.9 percent
<b>Rosewood Scholarship</b>	\$90,000	\$60,000	- 0.7 percent
<b>Jose Marti Scholarship</b>	\$270,000	\$160,000	- 0.6 percent

- The state fails to adequately fund university costs by shifting the burden to student-paid tuition.
- An 8-percent base tuition hike will generate \$65 million. As much as another \$40 million would be raised if universities maximize their revenues under a tuition differential plan. That plan allows universities to increase tuition up to 15 percent a year.
- The higher education budget relies heavily on federal stimulus dollars, including \$219 million for state universities and private colleges, and another \$82 million for community colleges.
- Universities will now be able to implement a surcharge to students who enrolled in a baccalaureate degree program at a state university to pay an “excess hour surcharge” equal to 50 percent of the tuition rate for each credit hour in excess of 120 percent of the number of credit hours required to complete the baccalaureate degree program in which the student is enrolled.
- Historical Black Colleges & Universities and the Private Colleges of Florida continue to be impacted by state cuts while their enrollment climbs.
- The following graphic illustrates how applications to universities increase parallel to unemployment increases. Florida’s unemployment rate has reached 9.7 percent.



## **\*HEALTH & HUMAN SERVICES\***

### **Elder Affairs**

Reductions:

#### **Local Service Programs (\$369K)**

Provides meals, transportation and adult day care. Was cut 2% in special session A. Current year spending: \$7.3 million.

#### **Home Care for the Elderly (\$416K)**

Supports care in family-type living arrangements within private homes, as an alternative to institutional or nursing home care. A basic subsidy is provided for support and maintenance of the elder, including some medical costs. A special subsidy may also be provided for services and/or supplies. A basic subsidy averaging \$106 per month is provided for all program participants.

Currently has a waiting list of 1669. This cut will result in 194 slots not being filled. Total budget, \$8 million.

This, and CCE, were cut \$1.8 million (4.4%) in special session A, Governor vetoed.

#### **Community Care for the Elderly (\$1M)**

Allows functionally impaired older people to live in the least restrictive yet most cost-effective environment suitable to their needs; providing a wide range of goods and services, including: adult day care, companionship, consumable medical supplies, counseling, escort, emergency alert response, emergency home repair, home-delivered meals, home health aide, home nursing, legal assistance, medical therapeutic services, personal care, respite, shopping assistance, transportation, among other things.

Waiting list of 17,267. This cut will impact 187 slots. Total budget, \$40 million.

This, and HCE, were cut \$1.8 million (4.4%) in special session A, Governor vetoed.

#### **Contracted Services (\$60K)**

This cut will come from a respite program, providing weekend and evening relief for caregivers. Cut 4% in special session A. Total budget, \$1 million.

#### **Alzheimer's Disease Initiative (\$626K)**

Provides a continuum of services to meet the changing needs of individuals with, and families affected by, Alzheimer's disease and similar memory disorders.

The program includes four components: 1) supportive services including counseling, consumable medical supplies and respite for caregiver relief; 2) memory disorder clinics to provide diagnosis, research, treatment, and referral; 3) model day care programs to test new care alternatives; and 4) a research database and brain bank to support research.

Waiting list of 1000 people. This cut will impact 75 slots. Cut 4% in special session A.

**Osteoporosis Screening and Education (\$192K)**

This cut equals 6,000 Osteoporosis assessments per year. Department of Health does some of this education.

**Administrative Efficiencies (\$305K)**

Of this money, \$100,000 is used by the Secretary for special projects for Alzheimer's.

**AHCA**

Decreased provider reimbursement rates:

**Clinic Services (\$3M)**

This is a 3% cut. Provides the authority to buy back the cut if money is available.

**Nursing Homes (\$81.3M)**

This is a 3% cut. Can buy back the cut through the quality assessment program the legislature created in special session A.

**Hospital Outpatient (\$10.4M)**

This is a 1.6% cut.

**Hospital Inpatient (\$35.5M)**

This is a 1.5% cut.

Certain hospitals can buy back the cut if funds are available.

**HMO (\$19.2M)**

This is a 0.9% cut.

**Department of Health**

Reduction/Elimination of **Special Projects** (\$500,000)

Eliminates a statewide health Promotion and Education Initiative.

**Minority Health Initiatives** (\$1 million) out of \$4.98 million. Special Session A cut \$207,000.

The program improves minority health and reduces health disparities through education, collaboration, mobilization and coordination statewide by making "Closing the Gap" grants available and working within the Department to ensure health equity and disparities are addressed.

**Vacant Positions**

Eliminates 256 positions (\$14.7 million)



**Environmental Health contributions to County Health Departments** (\$500,000) of \$6.6 million.

The County Health Departments will decide how these cuts are taken.

## **Department of Children & Families**

### **Independent Living**

Restores \$3 million recurring revenue, for \$4.6 million nonrecurring which is not restored. Total funding currently is \$32 million.

Provides services and support to Florida foster youth leaving the state's dependency system, without parental guidance. This program works to provide these young adults with the assistance they may need to thrive.

This cut equates to cutting payments to approximately 112 kids, out of the near 2000 we currently serve.

## **\*TRANSPORTATION & ECONOMIC DEVELOPMENT\***

### **Office of tourism, Trade and Economic Development (OTTED)**

- \$10 million reduction to Visit Florida (current year spending \$25 million)
- \$30 million reduction to Quick Action Closing Fund.

### **Department of Transportation**

- \$20 Million reduction (from \$43 million to \$23.4 million) to Small County Outreach Program

### **Highway Safety & Motor Vehicles**

**Motor Vehicle and Drivers License Fees:** The conference report includes a number of changes to user fees and fines relating to the Department of Highway Safety and Motor Vehicles (DHSMV). Some of these fees and fines include:

#### **1. Driver History Records fees-**

- 3-Year history from \$2.10 to \$8
- 7-Year history from \$3.10 to \$10
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#### **2. Penalties for Driver's License Reinstatements-**

- DUI DL Reinstatements from \$47.50 to \$60.00
- Suspended DL Reinstatements from \$35.00 to \$45.00.
- Reinstatement fee to clear a suspended Commercial Driver's License from \$60.00 to \$75.00
- Reinstatement fee to clear a revocation or disqualification from \$60.00 to \$75.00.
- Administrative fee for revocations and suspensions for refusal to so submit to a breath, blood, or urine test from \$115.00 to \$130.00.
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#### **3. Late Payment Fees on Driver's License Renewals from \$1 to \$15.**

#### **4. Driver's License and ID Card Fees-**

- Original Driver License from \$27 to \$48
- Driver License Renewal from \$20 to \$48
- Original ID from \$10 to \$25
- ID Renewal from \$10 to \$25
- Duplicates /Replacements Driver License or ID from \$10 to \$25

- Original Commercial Driver License from \$67 to \$75
5. Vehicle Registration Fees- 35% Increase on the base fees for all vehicles.
  6. Specialty and Prestige License Plate Processing Fees from \$2 to \$5.
  7. Driver License Knowledge and Skills Test Re-Exam Fees-
    - Re-take exam fee for knowledge (written) test from \$5 to \$10
    - Re-take exam fee for skills (road) test from \$10 to \$20
  8. Vehicle Title Fees from \$24 to \$70.
  9. Initial Registration Fees from \$100 to \$225.
  10. Rebuilt Vehicle Inspection Fees- creates a \$20 fee.

## **Department of Community Affairs**

- **Florida Homebuyer Opportunity Program** -- \$30 million to maximize the benefit from the federal first-time homebuyer tax credit program. The state funds will be loaned to homebuyers eligible for the federal tax credit program and used as down payment assistance to purchase a home.

## **\*CRIMINAL JUSTICE\***

### **Guardian ad Litem**

Reduces positions and funding.

2008-09: 596 position and \$33 million.

2009-10: 442 positions at \$26.1 million

### **Department of Corrections**

- Drug treatment programs cut by \$10 million.
- However, \$20 million in federal stimulus grants for Drug Court will help divert offenders who would otherwise need substance abuse treatment while incarcerated.
- Community Corrections Probation Supervision
  - Reduces positions and funding.
  - 2008-09: 2,159 positions and \$125.2 million
  - 2009-10: 2,048 positions and \$122.9 million
- Basic education for inmates
  - Reduces positions and funding.
  - 2008-09: 360 positions and \$22.9 million
  - 2009-10: 344 positions and \$22.4 million

### **Department of Juvenile Justice**

- \$2.9 million reduction in aftercare services will lead to Juvenile Probation Officers receiving a higher workload and not being able to give each child the attention that they need.
- Reduction of 65 Juvenile Probation officer slots that were vacant due to hiring freezes.

### **Department of Law Enforcement**

- No reductions to sworn officers.
- However, 109 investigative services positions reduced from the 2008-09 budget of 705 positions.

- 2008-09 budget: \$76,854,123
- 2009-10 budget \$70,133,330

### **Department of Legal Affairs/Attorney General**

- Removes all funding for the Council on the Status of Black Men and Boys.

## **\*NATURAL RESOURCES\***

- Despite record-low real estate prices, the budget lacks funding for the Florida Forever conservation land-buying program for the first time it or its predecessor, Preservation 2000, were created in 1990.
- Cuts \$135 million from a trust fund intended to clean up leaking petroleum tanks, leaving only \$10.3 million that will be bonded as debt service on a maximum of \$104 million
- The bill no longer imposes a highly controversial \$1.25 tax on every ton of garbage to be paid through higher city and county collection fees.
- Continues subsidies to for-profit professional sports franchises at a \$2 million annual cost.
- Sweeps money from trust funds meant for Everglades and Lake Okeechobee protection, but finds \$50 million for design and construction of Comprehensive Everglades Restoration Plan Components, Lake Okeechobee Protection Plan Components, and Caloosahatchee and St. Lucie River Watershed Protection Plan Components.

## **\*Trust Fund Transfers to General Revenue\***

\$588,023,958 from unobligated cash balance amounts specified from the following trust funds shall be transferred to the General Revenue Fund for Fiscal Year 2009-2010:

DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES  
Division of Licensing Trust Fund..... \$6 million

DEPARTMENT OF ENVIRONMENTAL PROTECTION  
Conservation and Recreation Lands Trust Fund.....\$69.5 million  
Land Acquisition Trust Fund..... \$20 million  
Inland Protection Trust Fund..... \$135 million  
Internal Improvement Trust Fund.....\$8 million  
Lake Okeechobee Trust Fund..... \$130,000.

FISH AND WILDLIFE CONSERVATION COMMISSION  
Marine Resources Conservation Trust Fund..... \$2,440,000.  
Invasive Plant Control Trust Fund..... \$6 million

AGENCY FOR HEALTH CARE ADMINISTRATION  
Health Care Trust Fund..... \$5 million  
Grants and Donations Trust Fund..... \$7,460,900

DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
Grants and Donations Trust Fund.....\$3.2 million  
Operations and Maintenance Trust Fund..... \$4 million  
Social Services Block Grant Trust Fund..... ..\$6 million  
Welfare Transition Trust Fund.....\$7 million

DEPARTMENT OF HEALTH  
Administrative Trust Fund.....\$1 million  
Biomedical Research Trust Fund Interest..... \$1.8 million  
Donations Trust Fund.....\$2 million  
Emergency Medical Services Trust Fund.....\$1 million  
Medical Quality Assurance Trust Fund.....\$1 million  
Planning and Evaluation Trust Fund..... \$500,000

PUBLIC SERVICE COMMISSION  
Regulatory Trust Fund.....\$4.5 million

DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION  
Hotel and Restaurant Trust Fund.....\$5 million

Professional Regulation Trust Fund..... \$1.5 million  
Florida Division of Condominiums, Timeshares  
and Mobile Homes Trust Fund.....\$6 million

DEPARTMENT OF FINANCIAL SERVICES

Financial Institutions Regulatory Trust Fund (OFR).....\$5 million  
Insurance Regulatory Trust Fund.....\$13 million  
Worker's Compensation Administrative Trust Fund.....\$5 million

DEPARTMENT OF MANAGEMENT SERVICES

Operating Trust Fund DOAH-Workers' Compensation Appeals...\$1 million  
Law Enforcement Radio System Trust Fund.....\$1.5 million

DEPARTMENT OF REVENUE

Child Support Incentive Trust Fund.....\$4,893,058

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Planning and Budgeting System Trust Fund.....\$1.5 million

DEPARTMENT OF TRANSPORTATION

State Transportation Trust Fund.....\$120.2 million  
Toll Facilities Revolving Trust Fund..... \$40 million

DEPARTMENT OF COMMUNITY AFFAIRS

Local Government Housing Trust Fund.....\$55,070,000  
State Housing Trust Fund..... \$36,830,000

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